GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3271
ANSWERED ON:12.05.2006
WORLD BANK SPONSORED PROJECTS
Mohite Shri Subodh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has instructed all States and departments to issue directions to the project authorities to strictly adhere to the norms for implementing the World Bank Sponsored projects;

(b) if so, the details thereof;

(c) the number of cases of corruption charges in World Bank sponsored projects which have come to the notice of the Government during the last three years; and

(d) the action taken by the Government thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (PAWAN KUMAR BANSAL)

(a) & (b) Yes, Sir. Currently, the World Bank is supporting 53 projects of the value of US$ 11.9 billion for development projects in India. Given this huge portfolio, the responsibility to execute these projects in accordance with the established guidelines of the Bank also assumes criticality. The responsibility for the implementation of the projects, including award and administration of various contracts, rests with the project authorities which includes the line Ministries, State Governments and Public Sector Undertakings. The World Bank`s policy requires that the project authorities as well as the bidders, suppliers and contractors under Bank-financed contracts observe the Bank guidelines and procedures during execution of such contracts. Accordingly, the State Governments and Central Ministries/ Departments have been requested that these guidelines may be reiterated to the project authorities so that there is no deviation from the established procedures of the Bank.

(c) There have been six allegations of corruption / fraudulent practices in World Bank assisted projects that have come to the notice of the Government.

(d) Government has taken action as per the existing Indian laws in cases where corruption charges have been held prima facie which includes referring the matter to the investigating agencies, cancellation of contracts, suspension/Departmental proceedings against officials involved, etc. depending upon the nature of the alleged irregularities.